

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of :  
Peter J. Kight et al. : Group Art Unit: 3625  
Serial No. 09/540,011 : Examiner: Y. Garg  
Filed: March 31, 2000 :  
For: BILL PAYMENT SYSTEM AND METHOD WITH A MASTER MERCHANT

**APPEAL BRIEF**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

November 24, 2004

Sir:

This Appeal Brief is submitted in support of the Notice of Appeal filed on September 24, 2004.

**I. REAL PARTY IN INTEREST**

CheckFree Corporation, Reel 005843, Frame 0369.

**II. RELATED PRIOR OR PENDING APPEALS, INTERFERENCES OR JUDICIAL PROCEEDINGS**

Appeal of a prior final Official Action, issued on February 12, 2003 in the present application, was filed on August 8, 2003, and supported by an Appeal Brief filed on October 8, 2003 and a Supplemental Appeal Brief filed on October 17, 2003, based on which the prior final Official Action was withdrawn in an Official Action issued on January 2, 2004. Related U.S. Application Serial Nos. 09/542,109, 09/540,011, 09/250,711 and 09/541,362 (under administrative remand), all of which claim parentage from the same originally filed application as the present application, are currently under appeal.

### III. STATUS OF CLAIMS

Claims 36, 39, 41, 44, 46 and 49 are cancelled in an after final Amendment Under 37 CFR §1.116 filed concurrently herewith. Accordingly, claims 37, 38, 42, 43, 47 and 48 are now pending in this application, of which claims 37, 42, and 47 are independent. Claims 37, 38, 42, 43, 47 and 48 stand finally rejected, and claims 36, 39-41, 44-46, 49 and 50 are cancelled. Each of claims 37, 38, 42, 43, 47 and 48 is subject to appeal.

### IV. STATUS OF AMENDMENTS

A Preliminary Amendment, filed concurrently with the filing of this Rule 53(b) Continuation application, an Amendment filed on November 27, 2002, and an after final Amendment Under 37 CFR §1.116 filed on September 24, 2004 have been entered. Additionally, an after final Amendment Under 37 CFR §1.116 filed concurrently herewith request only the cancellation of claims and is therefore expected to be entered. Requests for Reconsideration were also filed on April 10, 2003 and April 1, 2004.

### V. SUMMARY OF INVENTION

In summary, and as shown in preferred embodiments/implementations in Figures 2, 3, 5 and 6 and described in the related text (see in particular text on page 6, line 15 through page 9, line 4), according to the present invention recited in independent claim 42, a system (e.g. as shown in Figures 3 and 6) is provided for maintaining a master merchant file database (e.g. MMF database 42 [mis-identified with reference numeral 47 in Figure 3]). The system includes a network interface (e.g. an interface of front end processor 40 to the network 43, via which the consumer PC 37 communicates) configured to receive a list of merchants (e.g. the merchants identified in the consumer records edited in 44) from a consumer (e.g. the consumer represented by consumer PC 37). The system also includes a storage device (e.g. disk 50) configured to store a master merchant file database

including merchants identified by other consumers (e.g. MMF database 42 [mis-identified with reference numeral 47 in Figure 3], see also e.g. page 8, lines 10-17). The system additionally includes a processor (e.g. a processor of computer 46) configured to search the master merchant file database (e.g. MMF database 42 [mis-identified with reference numeral 47 in Figure 3]) to determine if each of the merchants on the received list is included in the master merchant file database and to add the merchant from the list to the master merchant file database, if that merchant is determined to not be included in the master merchant file database (see e.g. page 8, lines 10-17).

Accordingly to according to the present invention recited in claim 43, the network interface (e.g. an interface of front end processor 40 to the network 43, via which the consumer PC 37 communicates) is further configured to receive a request to pay a bill associated with another merchant on behalf of the consumer, and the processor (e.g. a processor of computer 46) is further configured to (i) search the master merchant file database to determine if the other merchant is included in the master merchant file database, (ii) add the other merchant to the master merchant file database if the other merchant is determined to not be included in the master merchant file database, and (iii) process the request to generate an instruction to pay the bill. (see e.g. page 8, line 18, through page 9, line 4).

## **VI. GROUNDS FOR REJECTION PRESENTED FOR REVIEW**

1.) Whether claims 37 and 38 recited non-statutory subject matter under 35

U.S.C.

§101.

2.) Whether claims 37, 38, 42, 43, 47 and 48 are obviousness, under 35 U.S.C. §

103(a), of over Lawlor et al. (U.S. Patent No. 5,220,501), in view of White et al. ("4-in-1 Accounting: The basics from Real-World" PC Magazine, v4, n20, p167-168, October 1, 1985).

## VII. THE REJECTION

In a first substantive Official Action issued July 29, 2002, all claims of the present application were rejected, under 35 U.S.C. §103(a), as obvious over Lawlor (U.S. Patent No. 5,220,501), in view of Huber (U.S. Patent No. 4,791,561).

In the next substantive Official Action issued February 12, 2003, the Examiner withdrew the rejection based upon the Lawlor/Huber combination in view of the traversal arguments presented in a response filed on November 27, 2002, and finally rejected all claims under 35 USC § 102(e), as anticipated by Landry (U.S. Patent No. 5,956,700), arguing that claim amendments necessitated new grounds of rejection. In the final Official Action dated February 12, 2003, the claimed priority date of July 25, 1991 is also denied, and claims 36, 38, 41, 43-46 and 48-50 are rejected under 35 USC §112, first paragraph, and claims 36-50 stand rejected by Landry (U.S. Patent No. 5,956,700).

In a Request for Reconsideration filed on April 10, 2003, applicants' representative traversed both the substantive rejections and denial, as well as the finality of the Official Action of February 12, 2003, arguing that the prior claim amendments only deleted unnecessary limitations and/or clarified claim language and that the rejections lacked the requisite support. Additionally, it was pointed out that the amendments were made in accordance with the understandings reached during an Examiner interview on September 24, 2002.

In an Advisory Action issued on May 9, 2003, in response to the Request for

Reconsideration filed on April 10, 2003, the rejection under 35 USC §112, first paragraph, is withdrawn, but the denial of the claimed priority and the anticipation rejection are maintained.

In view of the Examiner failure to withdraw the finality of the rejections (see Advisory Action issued May 9, 2003, the final Official Action of February 12, 2003 was appealed on August 8, 2003.

A Communication was filed on August 28, 2003 advising the Examiner of the grant of a Petition overturning a similar denial of priority on a related application.

In a further Advisory Action issued on October 1, 2003, in response to a Communication filed on August 28, 2003, the denial of the priority date of July 25, 1991 was withdrawn, but the prior art rejection over Landry was maintained even though Landry was not prior art to the present application in view of the present application priority date.

An Appeal Brief filed on October 8, 2003.

In an Official Action issued January 2, 2004, responsive to the Appeal Brief of October 8, 2003, the Examiner withdrew the rejection over Landry, and once again rejected the claims as obvious, under 35 U.S.C. §103(a), over Lawlor, this time in view of White et al. ("4-in-1 Accounting: The basics from Real-World" PC Magazine, v4, n20, p167-168, October 1, 1985). In the Official Action of January 2, 2004, the Examiner's asserts a construction of Lawlor, which is essentially unchanged from the earlier rejection in the first substantive action, notwithstanding the contrary evidence highlighted in the traversal arguments presented in response to the earlier application of Lawlor. The Examiner also for the first time rejects certain claims, including claims 37 and 38, as reciting non-statutory subject matter under 35 U.S.C. §101.

A Request for Reconsideration, traversing the non-statutory subject matter and obviousness rejections was filed on April 1, 2004.

In a final Official Action dated June 24, 2004, the non-statutory subject matter and obviousness rejections.

An Amendment Under 37 CFR §1.116 (canceling certain dependent claims and incorporating their limitations into their parent claims, and rebutting the Examiner's response to the previously submitted traversal arguments) and a Notice of Appeal of the final Official Action dated June 24, 2004, were filed on September 24, 2004.

In an Advisory Action issued November 5, 2004, the Examiner confirms entry of the Amendment Under 37 CFR §1.116 and maintains the rejections under 35 U.S.C. §101 and §103(a).

As discussed above, another Amendment Under 37 CFR §1.116 (canceling certain independent claims) is filed concurrently herewith to reduce the issues to be considered in this appeal.

### VIII. ARGUMENT

Claims 37 and 38 stand rejected, under 35 U.S.C. §101, as directed to non-statutory subject matter, and claims 37, 38, 42, 43, 47 and 48 stand rejected, under 35 U.S.C. §103(a), as obviousness of over Lawlor et al. (U.S. Patent No. 5,220,501), in view of White et al. ("4-in-1 Accounting: The basics from Real-World" PC Magazine, v4, n20, p167-168, October 1, 1985).

Appellants respectfully traverse the rejections based on the prior art applied against the claims now pending on appeal. As discussed below in detail, it is respectfully submitted that the final rejection lacks the requisite supporting factual basis

or reasonable rationale, and accordingly cannot reasonably be understood. It is additionally respectfully submitted that the prior art rejection relies upon art that has been combined without any motivation to do so. Further still, it is respectfully submitted that the art applied in rejecting the claims neither teaches nor suggests the claimed invention. It is also respectfully submitted that recited claim limitations have been ignored and the relied upon art has been construed in a manner inconsistent with its own teachings, and the rejection is at best based on an improper hindsight reconstruction of the claimed invention.

#### 1. THE EXAMINER HAS FAILED TO ESTABLISH A PRIMA FACIE CASE

The initial burden of establishing a basis for denying patentability to a claimed invention rests upon the examiner. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Thorpe, 777 F.2d 695, 227 USPQ 964 (Fed. Cir. 1985); In re Piasecki, 745 F.2d 1468, 223 USPQ 785 (Fed. Cir. 1984).

The limitations required by the claims cannot be ignored. See In re Wilson, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970). All claim limitation, including those which are functional, must be considered. See In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981). Hence, all words in a claim must be considered in deciding the patentability of that claim against the prior art. Each word in a claim must be given its proper meaning, as construed by a person skilled in the art. Where required to determine the scope of a recited term, the disclosure may be used. See In re Barr, 444 F.2d 588, 170 USPQ 330 (CCPA 1971).

The Examiner must provide sufficient factual basis or rationale as to how features of the invention recited in the claims are taught or suggested in the applied art. Uniroyal,

Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). That is, objective evidence must be presented by the Examiner in support of the rejection. Without such support, the rejection is improper per se.

Furthermore, MPEP §707.07 clearly requires that "before ... rejection is in order a clear issue should be developed between the Examiner and applicant." Indeed, the Manual states that "the references should be fully applied" (emphasis added), so as to deal justly with the applicant as well as the public. The Manual goes on to state that "present practice does not sanction hasty and ill-considered ... rejections". "The applicant who is seeking to define his or her invention in claims that will give him or her the patent protection to which he or she is justly entitled should receive the cooperation of the examiner to that end." "The examiner should never lose sight of the fact that in every case the applicant is entitled to a full and fair hearing, and that a clear issue between applicant and examiner should be developed ..."(emphasis added).

MPEP § 707.07(g) instructs an Examiner that "[w]here a major technical rejection is proper, it should be stated with a full development of reasons rather than by a mere conclusion coupled with some stereotyped expression". Omnibus rejections are to be avoided. Hence, a plurality of claims should never be grouped together in a common rejection, unless that rejection is applicable to all the claims in the group (See MPEP §707.07(d)).

It is respectfully submitted that the Examiner has failed to establish a *prima facie* case for the rejection. More particularly, the Examiner has failed to provide objective support or reasonable rationale for the rejections, has ignored limitations recited in the claims, and has applied art in a manner inconsistent with its teachings.

Each of Claims 37 and 38

With regard to the rejection under 35 U.S.C. §101, in the Official Action of January 2, 2004, the Examiner argues that claims 37 and 38 "have no connection to the technological arts. None of the steps indicate any connection to a computer or technology." (see page 5, lines 8-9 of the Official Action).

However, 35 U.S.C. §101 does not require that a claimed invention have "connection to a computer or technology" and therefore the basis for the Examiner's position cannot be understood.

As the Supreme Court has held, Congress chose the expansive language of 35 U.S.C. 101 so as to include "anything under the sun that is made by man." Diamond v. Chakrabarty, 447 U.S. 303, 308-09, 206 USPQ 193, 197 (1980). Section 101 of title 35 of the United States Code provides: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." As defined at 35 U.S.C. §100(b), "The term 'process' means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material." Independent claims 36, 37, and 39 are each method claims. Thus each of these claims clearly falls into a statutory class (processes).

Further, an invention that falls into a statutory class must also satisfy the useful requirement of 35 U.S.C. §101. The Federal Circuit's decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998), holds that the test for whether a claim encompasses statutory subject matter under 35 U.S.C. §101 is whether the essential characteristics of the subject matter of the claim

have practical utility, i.e., whether the claimed invention is useful.

It is respectfully submitted that each of claims 37 and 38 has practical utility, e.g., maintaining and updating a master merchant file database. Claim 38 has the future utility of processing a request to generate an instruction to pay a bill.

The Examiner's argument that "none of the steps [of claims 37-38] indicate any connection to a computer or technology", to the extent it is even relevant, is simply not understood. Both claims 37 and 38 required the maintaining of a database, including searching and adding information to the database. According, for example, to the Microsoft Computer Dictionary, fifth edition (2002), a "database" is "a file composed of records, each containing fields together with a set of operations for searching, sorting, recombining, and other functions." Thus, it is respectfully submitted that those of ordinary skill in the art would clearly understand that each of these claims is directed to methods performed, at least in part, utilizing a computer, because each of these claims expressly requires a database.

Furthermore, claim 38 expressly recites "processing", which according to, for example, the Microsoft Computer Dictionary, means "the manipulation of data within a computer system. Processing is the vital step between receiving data (input) and producing results (output) – the task for which computers are designed."

In the Response to Arguments on pages 2-5 of the final Official Action (responding to the above points), the Examiner alleges that claims 37 and 38 fail to produce a useful, concrete and tangible result. The Examiner makes these allegations without any supporting analysis. Furthermore, one "useful, concrete and tangible" result of claim 37 is an updated master merchant file database. Hence, here again, the Examiner's contention is not, and cannot be, understood.

The Examiner, for reasons which also cannot be understood, also refuses to accept the common modern definition of “database” and “processing” as evidenced by Microsoft Computer Dictionary, but instead chooses to rely on an over forty year old general definition found in a 1962 Webster Dictionary in support of the contention that the recited invention is not in the “technological art”, and would not be understood as such by those skilled in the art.

Indeed, one need only make a cursory review of the specification (see Figures 2, 3, 5, and 6, and related text) to understand that the master merchant file database, as has been described in the specification, is a computer database that includes merchants identified by multiple different consumers.

Each of Claims 37, 38, 42, 43, 47 and 48 Individually

Claims 36-50 stand rejected under 35 U.S.C. §103(a) as obvious over Lawlor et al. (U.S. Patent No. 5,220,511), in view of White et al. (“4-in-1 Accounting: The basics from Real-World” PC Magazine, v4, n20, p167-168, October 1, 1985).

The Examiner argues that Lawlor discloses all claimed features other than adding a merchant to a master merchant file database if the merchant is not included in the master merchant file database at the time of a search. The Examiner proposes to modify Lawlor based on the teachings of White, which relate to accounting software.

The Examiner asserts that Lawlor discloses a master merchant file database, relying upon column 12, lines 21-26, column 14, lines 7-9, column 33, lines 24-34 and 51-60, column 43, lines 20-22. In particular, the Examiner relies upon Lawlor’s disclosure of payee-specific lists and display of user-specific payees by category in arguing that Lawlor teaches a master merchant file database applicable to all users.

However, it is respectfully submitted that Lawlor lacks any disclosure of a master database of merchants or a database of merchants containing merchants received from or identified by multiple customers.

Rather, as explicitly disclosed in column 42, line 60, through column 43, line 25, and shown in Figures 14A-14C, the user must provide, prior to requesting any payments, merchant information relating to merchants to whom he/she wishes to pay electronically. This user-specific payee information is stored and accessed to display a list of payees to that user. Alternatively, the user-specific payee information may be displayed by payee category. Thus, Lawlor explicitly teaches only a user-specific merchant file and lacks any disclosure whatsoever of a master merchant file database, i.e. a file database that includes merchants identified by multiple users or consumers.

Accordingly, Lawlor fails to disclose the master merchant file database required by each of the independent claims. Hence, Lawlor necessarily fails to disclose the searching of such a database to determine if a merchant identified by a consumer (either during a registration type process, in conjunction with a request for payment, or otherwise) is included in such a master merchant file database. In fact, Lawlor explicitly teaches the creation of only user-specific merchant files.

Further, Lawlor does not teach searching even its user-specific payee list. Rather, as should be understood from the above, Lawlor merely discloses displaying user-specific payee lists, perhaps categorized.

Notwithstanding the above, in the Examiner's Response to Arguments on pages 5-8 of the final Official Action (responsive to the above points), the Examiner contends that Lawlor discloses the claimed master merchant database in column 14, lines 7-9, column 19, lines 19-53 (newly relied up), and column 33, lines 24-34, pointing particularly to the

mass storage device 84 of Figure 1A.

However, contrary to the Examiner's assertion, there is nothing in the reference text to suggest that the "mass storage device" 84 described by Lawlor even includes a "database".

The Examiner goes on to cite column 10, lines 66-69, in further support of the contention that Lawlor's "mass storage device" 84 somehow corresponds to the required master merchant file database. In particular, the Examiner quotes from Lawlor that "to use bill paying features, customers provide the service provider in advance with a list of payees [names, account numbers, addresses] ...".

However on its face, the quoted language fails to support the Examiner's contention, since there is nothing in this text to suggest that Lawlor stores this information in a "database", let alone a "master merchant file database". Rather, the text solely teaches that Lawlor's service provider receives a list of payees (with payee information) from the customers. While it could be argued that the referenced Lawlor text discloses receipt of a information which corresponds to the information required to be received in each of the rejected independent claims, the referenced text does not address what Lawlor does to store this information. Furthermore, the Examiner has failed to identify any other disclosure within Lawlor that suggests the received information is stored in anything other than a user specific file, and hence not in a master merchant file database.

Thus, the Examiner's conclusion that "it is clear that Lawlor discloses a master database "84" which includes plurality of merchants, their information is identified by multiple users and this information about merchants is used for bill payment on behalf of multiple users", is not supported by what the Examiner has identified as supporting

this conclusion. Indeed, Figures 14A-14C of Lawlor, and the related text in column 42, line 60, through column 43, line 25, contradict what the Examiner alleges to be disclosed by Lawlor.

Further still, the Examiner's arguments in the first full paragraph on page 6 of the final Official Action, ignore what the claims require the master merchant file database to be searched for.

Contrary to the Examiner's contention, the claims do not simply require that a list of merchants be searched for any reason whatsoever.

Rather, to the extent searching is required by the claims, that searching is required for a very particular purpose. For example, claim 37 requires the searching of a master merchant file database to determine if information associated with one of multiple identified merchants in a list received from a consumer is included in the database.

The Lawlor disclosure quoted by the Examiner from column 43, lines 25-46, discloses only the searching of a user specific list, and lacks any disclosure whatsoever of searching a database or searching to determine if information associated with one of multiple identified merchants in a list received from a consumer is included in the database. Hence, it is respectfully submitted that the Examiner relied upon disclosure lacks any relevance with respect to the present claims.

The Examiner acknowledges that Lawlor does not teach or suggest adding a merchant to a master merchant file database if the merchant is determined to not be included in that database. The Examiner looks to White to cure this deficiency.

The accounting software disclosed by White has the capability to print checks for a user based upon user-entered information associated with a disbursement, i.e., payee

name and amount. Also, if the user issues a check by hand (not using the software to print the check), the user enters the disbursement information into the software (for accounting purposes). (See page 4, lines 14-15)

One feature of the software is a stored list of payees unique to that user, disclosed in the third full paragraph of page 4. With this feature, the payee enters payee information into the software and that information is stored for future use. In White, whenever the user enters a payee's name via a disbursement interface, the software determines if that payee name is stored. If the payee name is not stored in the software, the user can, at that point, go to a special add-payee interface and manually enter payee information for storage by the software. Thereafter, the user returns to the disbursement interface. Thus, White does not teach a processor or software driven computer adding a payee based upon received information. Rather, the user must manually add the payee.

More importantly, like Lawlor, White does not teach, nor does it suggest, a master database of merchants or a database of merchants containing merchants received from or identified by multiple customers. This is necessarily true, since White is directed to accounting software utilized by a single user. Accordingly, White does not cure the defects in the applied Lawlor reference.

With regard to the Examiner's contentions in the Response to Arguments on pages 7 and 8 of the final Official Action (responding to the above points), it is again noted that White, like Lawlor, lacks a master merchant file database. Furthermore, it is unclear why the Examiner considers White's manual addition of a vendor to be relevant, particularly with respect to the processor of claim 42 or computer of claim 47, which add the merchant to the master merchant file database if the merchant is determined by the processor/computer not to be included, which is entirely different

than White's system which "allows you [the user] to add a vendor".

Contrary to the Examiner's contention, the applied art lacks any disclosure whatsoever of adding a merchant to a master merchant file database in conjunction with a request for payment as required by each of claims 38, 43 and 48. Indeed, Lawlor specifically discloses that the merchant information must be provided by the user prior to any request for payment of a bill. Hence to modify Lawlor in the manner proposed by the Examiner would violate a principle of operation of Lawlor itself.

As discussed above, the initial burden of establishing a *prima facie* basis for the rejection of the claims lies with the Examiner. If no *prima facie* case is established, no rebuttal is required. As evidenced by the each of the substantive actions issued in this case, it is apparent that recited limitations have simply been ignored, that no proper determination of what is reasonable taught and suggested by the applied art combination has been made, and that the required analysis of the claims and applied prior art, in view of the relevant law, has been performed. Thus, it can only be concluded that the rejection of each of the pending claims lacks the requisite supporting factual basis and/or reasonable rationale, and must at best be based on either an improper hindsight reconstruction of the claimed invention based on the present application disclosure.

## 2. THERE IS NO MOTIVATION TO COMBINE THE ART AS PROPOSED BY THE EXAMINER

It is incumbent upon the Examiner to provide a basis in fact and/or cogent technical reasoning to support the conclusion that one having ordinary skill in the art would have been motivated to combine references to arrive at a claimed invention. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). In so doing, the Examiner is required to make the factual determinations set forth in Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 148 USPQ 459 (1966), and to provide a reason why one having ordinary skill in the art would have been led to modify the prior art reference to arrive at the claimed invention. Ashland Oil, Inc. v. Delta

Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985). Such a reason must stem from some teaching, suggestion or inference in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985); ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983).

Each of Claims 37, 38, 42, 43, 47 and 48 Individually

It is respectfully submitted that there is nothing within any of the applied prior art teachings that would suggest the Examiner's proposed modification to arrive at the invention claimed in the present application. Rather, the applied prior art lacks any recognition, let along suggestion, that the proposed modifications could be beneficial. Additionally, it is unclear (and the Examiner has failed to provide any explanation of) how one skilled in the art could go about modifying the applied references as proposed to arrive at the subject invention. Indeed, as noted above, to do so would violate a principle of operation of Lawlor itself.

The fact that the prior art could be modified so as to result in the combination defined by the present claims does not make such a modification obvious, unless the prior art suggests the desirability of that modification. It is respectfully submitted that the Examiner has failed to identify anything within the applied prior art that suggests the combination and modifications proposed by the Examiner.

3. THE APPLIED REFERENCES FAIL TO SUGGEST THE CLAIMED INVENTION

In rejecting claims under 35 U.S.C. 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. Stratoflex, Inc. v.

Aeroquip Corp., 713 F.2d 1530, 218 USPQ 871 (Fed. Cir. 1983); In re Warner, 379 F.2d 1011, 154 USPQ 173 (CCPA 1967). It also is incumbent upon the Examiner to provide a basis in fact and/or cogent technical reasoning to support the conclusion that one having ordinary skill in the art would have been motivated to combine references to arrive at a claimed invention. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). In so doing, the Examiner is required to make the factual determinations set forth in Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 148 USPQ 459 (1966), and to provide a reason why one having ordinary skill in the art would have been led to modify the prior art reference to arrive at the claimed invention. Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985).

Such a reason must stem from some teaching, suggestion or inference in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985); ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983). Inherency requires certainty, not speculation. In re Rijckaert, 9 F.3rd 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); In re King, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); W. L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); In re Wilding, 535 F.2d 631, 190 USPQ 59 (CCPA 1976). Objective evidence must be relied upon to defeat the patentability of the claimed invention. Ex parte Natale, 11 USPQ2d 1222 (BPAI 1989).

In determining obviousness, the inquiry is not whether each element existed in the prior art, but whether the prior art made obvious the invention as a whole for which

patentability is claimed. Hartness Int'l, Inc. v. Simplimatic Eng'g Co., 819 F.2d 1100, 2 USPQ2d 1826 (Fed. Cir. 1987). It is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art. In re Wesslau, 353 F.2d 238, 147 USPQ 391 (CCPA 1951). Piecemeal reconstruction of prior art patents is improper, In re Kamm, 452 F.2d 1052, 172 USPQ 298 (CCPA 1972). The Examiner must give adequate consideration to the particular problems and solution addressed by the claimed invention. Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 15 USPQ2d 1321 (Fed. Cir. 1990); In re Rothermel, 276 F.2d 393, 125 USPQ 328 (CCPA 1960).

The fact that the prior art could be modified so as to result in the combination defined by the claims does not make the modification obvious unless the prior art suggests the desirability of the modification. In re Deminski, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986). The test is what the combined teachings would have suggested to those of ordinary skill in the art. In re Keller, 642 F.2d 413, 208 USPQ 817 (CCPA 1981). Simplicity and hindsight are not proper criteria for resolving obviousness, In re Warner, supra. Furthermore, as the Federal Circuit recently reiterated, reliance on common knowledge and/or common sense also cannot be the basis of finding obviousness (See In re Lee, 277 F.3d 1338, 61 USPQ 2d 1430 (Fed. Circ. 2002)). The deficiencies in the applied art cannot be remedied by general conclusions which, in view of the disclosure in the present application, may appear to be common sensible.

The proper approach to the issue of obviousness is whether the hypothetical person of ordinary skill in the art, familiar with the references, would have found it obvious to make a structure corresponding to what is claimed. In re Keller, 642 F.2d 413, 208

USPQ 871 (CCPA 1981); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983).

Hindsight obviousness after the invention has been made is not the test. In re Carroll, 601 F2d 1184, 202 USPQ 571 (CCPA 1979). The reference, viewed by itself and not in retrospect, must suggest doing what applicant has done. In re Shaffer, 229 F2d 476, 108 USPQ 326 (CCPA 1956); In re Skoll, 523 F2d 1392, 187 USPQ 481 (CCPA 1975).

Again, the issue is not whether it is within the skill of the artisan to make the proposed modification but, rather, whether a person of ordinary skill in the art, upon consideration of the references, would have found it obvious to do so. The fact that the prior art could be modified so as to result in the combination defined by the claims would not have made the modification obvious unless the prior art suggests the desirability of the modification. See In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984), In re Deminski, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986), In re Keller, supra. See In re Laskowski, 871 F.2d 115, 10 USPQ2d 1397 (CAFC 1989).

As detailed above, even if the applied art combination were proper (which it is respectfully submitted is not the case), it is respectfully submitted that the applied combination lacks any suggestion of:

Claim 37

a master merchant file database, including information associated with merchants that has been received from other consumers;

a searching of a master merchant file database, including information associated with merchants that has been received from other consumers, to determine if information associated with one of the identified merchants is included in the master merchant file database; and

a adding of information associated with the one identified merchant to the master

merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.

Claim 38

searching the master merchant file database to determine if information associated with the merchant for which a request to pay a bill has been received, is included in the master merchant file database;

adding information associated with the merchant to the master merchant file database if information associated with the merchant for which a request to pay a bill has been received, is determined to not be included in the master merchant file database; and

processing the request to generate an instruction to pay the bill associated with that merchant as requested (i.e. even if the information associated with the merchant for which a request to pay a bill has been received, is determined to not be included in the master merchant file database).

Claim 42

a master merchant file database including merchants identified by other consumers;

a storage device configured to store a master merchant file database including merchants identified by other consumers; and

a processor configured to search the master merchant file database to determine if each of the merchants on the received list is included in the master merchant file database and to add the merchant from the list to the master merchant file database, if that merchant is determined to not be included in the master merchant file database.

Claim 43

a network interface configured to receive a request to pay a bill associated with another merchant on behalf of the consumer; and  
a processor further configured to search the master merchant file database to determine if the other merchant is included in the master merchant file database, to add the other merchant to the master merchant file database if the other merchant is determined to not be included in the master merchant file database, and to process the request to generate an instruction to pay the bill (i.e. even if the merchant for which a request to pay a bill has been received, is determined to not be included in the master merchant file database).

Claim 47

a master merchant file database including merchants identified by other consumers; and

computer programming which cause a computer to search a master merchant file database including merchants identified by other consumers to determine if each of the identified merchants is included in the master merchant file database, and add the identified merchant to the master merchant file database if that merchant is determined to not be included in the master merchant file database.

Claim 48

computer programming which cause a computer to:  
search the master merchant file database to determine if another merchant associated with a request to pay a bill on behalf of the consumer, is included in the

master merchant file database;

add the other merchant to the master merchant file database if the other merchant is not included in the master merchant file database; and

process the request to generate an instruction to pay the bill (i.e. even if the merchant for which a request to pay a bill has been received, is determined to not be included in the master merchant file database).

#### 4. THE REJECTION IS BASED ON EITHER AN IMPROPER HINDSIGHT

#### RECONSTRUCTION OF THE INVENTION BASED ON THE APPLICATIONS OWN TEACHINGS OR ON PURE SPECULATION

Hindsight obviousness after the invention has been made is not the test. In re Carroll, 601 F2d 1184, 202 USPQ 571 (CCPA 1979). The reference, viewed by itself and not in retrospect, must suggest doing what applicant has done. In re Shaffer, 229 F2d 476, 108 USPQ 326 (CCPA 1956); In re Skoll, 523 F2d 1392, 187 USPQ 481 (CCPA 1975).

Inherency requires certainty, not speculation. In re Rijckaert, 9 F.3rd 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); In re King, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); W. L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); In re Wilding, 535 F.2d 631, 190 USPQ 59 (CCPA 1976). Objective evidence must be relied upon to defeat the patentability of the claimed invention. Ex parte Natale, 11 USPQ2d 1222 (BPAI 1989).

Furthermore, as the Federal Circuit recently reiterated, reliance on common knowledge and/or common sense also cannot be the basis of finding obviousness (See In re Lee, 277 F.3d 1338, 61 USPQ 2d 1430 (Fed. Circ. 2002)). The deficiencies in the

applied art cannot be remedied by general conclusions which, in view of the disclosure in the present application, may appear to be common sensible.

Each of Claims 37, 38, 42, 43, 47 and 48 Individually

As discussed in detail above, the appealed claims have been rejected without objective factual support or rational. The prior art cited in support of the rejections has been applied in a manner inconsistent with its own teachings. A combination has been asserted for which no motivation exist. Express limitations set forth in the claims have been completely or effectively ignored. The evidence shows that there is nothing in the applied prior art to support the Examiner's position that the present claims are obvious. Hence, it can only be concluded that the rejection of the claims, as set out in the final Official Action, reflects an improper hindsight reconstruction of the invention using the inventors' own disclosure, or reliance on pure speculation.

CONCLUSION

It is respectfully submitted that the Examiner (i) has failed to establish a *prima facie* case for the rejection, (ii) has proposed to combine art in a manner which is unmotivated, (iii) has failed to apply art which teaches or suggest the claimed invention, and (iv) has either attempted to improperly reconstruct the invention using the inventors' own disclosure or relied on pure speculation in rejecting the claims. Thus, the rejection of the pending claims over the applied prior art, whether taken individually or in combination, is improper.

In summary, Applicants respectfully submit that the applied references do not teach or suggest features recited in each of the rejected independent claims, as well as features recited in the dependent claims, and the Examiner has failed to provide

reasonable evidence to support a contrary conclusion. Furthermore, the proposed combination of the applied references is itself unmotivated and therefore improper. Accordingly, it is submitted that the prior art does not provide any teaching, or suggestion within its teachings, which would lead to the features or advantages of the instant invention, and the claims patentably define over the prior art. The rejection can therefore only be based on an improper hindsight reconstruction or pure speculation. Thus, the rejection of the pending claims is in error, and reversal is clearly in order and is courteously solicited.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 01-2135 and please credit any excess fees to such deposit account.

Respectfully submitted,

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**APPENDIX OF CLAIMS UNDER APPEAL**

**Claims 1-36 (cancelled)**

Claim 37. A method for maintaining a master merchant file database, comprising the steps of:

receiving a list identifying merchants from a consumer;

searching a master merchant file database, including information associated with merchants that has been received from other consumers, to determine if information associated with one of the identified merchants is included in the master merchant file database; and

adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.

Claim 38. The method of claim 37, further comprising the steps of:

receiving, via a network, a request to pay a bill associated with a merchant on behalf of the consumer;

searching the master merchant file database to determine if information associated with the merchant is included in the master merchant file database;

adding information associated with the merchant to the master merchant file database if information associated with the merchant is determined to not be included in the master merchant file database; and

processing the request to generate an instruction to pay the bill.

**Claims 39-41 (cancelled)**

Claim 42. A system for maintaining a master merchant file database, comprising:  
a network interface configured to receive a list of merchants from a consumer;  
a storage device configured to store a master merchant file database including  
merchants identified by other consumers; and  
a processor configured to search the master merchant file database to determine if  
each of the merchants on the received list is included in the master merchant file database  
and to add the merchant from the list to the master merchant file database, if that  
merchant is determined to not be included in the master merchant file database.

Claim 43. The system of claim 42, wherein:

the network interface is further configured to receive a request to pay a bill  
associated with another merchant on behalf of the consumer; and the processor is further  
configured to:

search the master merchant file database to determine if the other merchant  
is included in the master merchant file database;  
add the other merchant to the master merchant file database if the other  
merchant is determined to not be included in the master merchant file database; and  
process the request to generate an instruction to pay the bill.

Claims 44-46 (cancelled)

Claim 47. An article of manufacture for maintaining a merchant database,  
comprising:  
a computer readable medium; and

computer programming stored on the medium;

wherein the stored computer programming is configured to be readable from the computer readable medium by a computer to thereby cause the computer to operate so as to:

receive a list identifying merchants from a consumer;

search a master merchant file database including merchants identified by other consumers to determine if each of the identified merchants is included in the master merchant file database; and

add the identified merchant to the master merchant file database if that merchant is determined to not be included in the master merchant file database.

Claim 48. The article of manufacture according to claim 47, wherein the computer readable medium is further readable to cause the computer to:

receive, via a network, a request to pay a bill associated with another merchant on behalf of the consumer;

search the master merchant file database to determine if the other merchant is included in the master merchant file database;

add the other merchant to the master merchant file database if the other merchant is not included in the master merchant file database; and

process the request to generate an instruction to pay the bill.

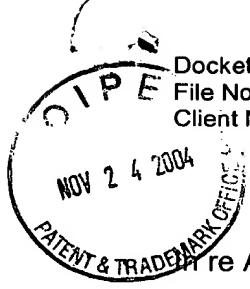
Claims 49-50 (cancelled)

**APPENDIX OF AFFIDAVITS AND DECLARATIONS**

**NONE**

**APPENDIX OF DECISIONS IN RELATED PROCEEDINGS**

**NONE**



Docket No.: 3350-31F  
File No. 1158.41324CC6  
Client No.: BillPay-F

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

re Application of  
KIGHT, et al.

: Art Unit: 3625

Serial No.: 09/540,011

: Examiner: Y. Garg

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: Confirmation No.: 2558

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For: BILL PAYMENT SYSTEM AND METHOD WITH A MASTER MERCHANT  
DATABASE

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Alexandria, VA 22313-1450

November 24, 2004

Sir:

Transmitted herewith is an Appeal Brief in the above-identified application.

[ ] No additional fee is required.

[X] Also attached: Amendment; Credit Card Payment Form

The fee (if applicable) has been calculated as shown below:

	NO. OF CLAIMS	HIGHEST PREVIOUSLY PAID FOR	EXTRA CLAIMS	RATE	FEE
Total Claims	6	20	0	x \$18 =	\$0
Independent Claims	3	3	0	x \$88 =	\$0
PTO Appeal Brief Fee					\$340.00
<b>TOTAL FEE DUE</b>					<b>\$340.00</b>

A Credit Card Payment form in the amount of \$340.00 is attached

Commissioner is hereby authorized to charge any additional fees associated with this communication or credit any overpayment, to Deposit Account No. 01-2135, including any filing fees under 37 CFR 1.16 for presentation of extra claims and any patent application processing fees under 37 CFR 1.17.

Respectfully Submitted,

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Enclosures